



# **Durham Small Local Business Enterprise Program**

**Deborah Giles, Director**

**Department of Equal Opportunity/Equity  
Assurance**

**(919) 560-4180, ext. 17243**

**[Deborah.Giles@durhamnc.gov](mailto:Deborah.Giles@durhamnc.gov)**



## SMALL BUSINESS ENTERPRISE PROGRAM

- Uses Charlotte Small Business Opportunity Program as reference.
- Race-gender neutral program.
- Purpose is to support local small businesses and enhance tax base and employment opportunities.
- Would apply to all construction contracts of \$500,000 or less.

## SMALL BUSINESS ENTERPRISE PROGRAM

- Would apply to architectural, engineering and surveying services contracts of \$100,000 or less.
- Provision to allow Manager to add other services as appropriate.
- Program would not apply to procurement of materials, apparatus or equipment.



# SMALL BUSINESS ENTERPRISE PROGRAM

## **Administration:**

The City Manager(with EO/EA as designee)  
shall:

1. Adopt rules to implement the SLBE Program.
2. Encourage participation from potential SLBEs.



# SMALL BUSINESS ENTERPRISE PROGRAM

## Administration Cont'd:

3. Certify SLBEs, maintain certification records and SLBE database.
4. Coordinate with user departments to identify and classify contracting opportunities to solicit bids from SLBEs.
5. Collect data to evaluate the SLBE Program.



# SMALL BUSINESS ENTERPRISE PROGRAM

## Eligibility:

1. Non-governmental person or entity.
2. Meets the size standards of the U.S. Small Business Administration averaged over the last three-year period.



## SMALL BUSINESS ENTERPRISE PROGRAM

### **Eligibility** Cont'd:

- ~ Building Construction & Heavy and Civil Engineering Construction-up to 100 employees and up to \$33.5 million averaged over 3 years.
- ~Specialty Trade Contractors-up to 100 employees and up to \$14 million averaged over 3 years.



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### **Eligibility** Cont'd:

- ~Architects-up to 100 employees and up to \$7 million averaged over 3 years.
- ~Engineers/Surveyors-up to 100 employees and up to \$14 million averaged over 3 years.





## SMALL BUSINESS ENTERPRISE PROGRAM

### **Eligibility** cont'd:

3. Principal office within the Durham MSA .

Principal Office: physical location where the majority of the bidder's employees, principals and managers work and the majority of the accounting, financial and payroll activities originate and are managed.



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### Eligibility Cont'd:

4. A regional, branch or satellite office that has resided in the Durham MSA for a year more and at least 25% of the full time employees reside in the Durham MSA.
5. Certification granted only for the specific areas of work in which SLBEs have skills, knowledge and ability to as defined by normal industry practice.



## SMALL BUSINESS ENTERPRISE PROGRAM

### Eligibility Cont'd:

5. The City will certify the eligibility of joint ventures in which the joint venture partners are SLBEs.



# SMALL BUSINESS ENTERPRISE PROGRAM

## Maintenance of Certification

- Certification is for two-year period, though it may be revoked if:
  - ~ the firm ceases to meet SLBE requirements.
  - ~the firm provides materially false or misleading information to the City in seeking certification.



## SMALL BUSINESS ENTERPRISE PROGRAM

### Maintenance of Certification cont'd

- ~ the firm does not renew in 90 days.
- ~ the firm fails to notify City of any change affecting eligibility.

## **SMALL BUSINESS ENTERPRISE PROGRAM**

### **Protest of Denial of Certification/ Decertification**

1. Has 7 days from receipt of denial or decertification to submit written appeal notice to Manager.
2. An administrative appeal hearing will be conducted.



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3. The manager has 30 days after the hearing to render a written decision.
4. Protestor found ineligible as SLBE cannot re-apply for a year.
- All current City and other bid regulations would apply. (pre-qualification, Equal Business Opportunity, etc.)



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## How the Program Would Work

- Individuals/firms apply for certification.
- Dept. of EO/EA determines eligibility. Eligible firms would be entered into a database.
- If deemed ineligible, there would be an appeal process.





## SMALL BUSINESS ENTERPRISE PROGRAM

- When there is a construction bid of \$500,000 or less or a professional services contract of \$100,000 or less, the user department would contact EO/EA.
- If EO/EA finds there are three or more certified potential bidders for a project, the project would be eligible for the SBLE Program.



## SMALL BUSINESS ENTERPRISE PROGRAM

- SLBE program will not apply if there are insufficient firms, no eligible firms or the project is highly specialized.
- Only certified local small businesses will receive advertisements to bid/propose on SLBE projects.
- Bids/proposals will be received, reviewed and awarded to the lowest responsible, responsive bidder or proposer who best meets the evaluation criteria.



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The city manager may allow change/substitution of the contractor and/or decertification in the following instances:

- Unavailability after receipt of reasonable notice to proceed.
- Failure of performance.
- Financial incapacity.
- Refusal by the contractor to honor the bid or proposal price or qualifications description.



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- Mistake of fact or law about elements of the scope of work where agreement on reasonable terms cannot be reached.
- Contractor fails to meet insurance, licensing or bonding requirements.
- The contractor's withdrawal of its bid or proposal or qualifications description.

## SMALL BUSINESS ENTERPRISE PROGRAM

- If City Manager determines that the contractor has failed to comply with the provisions of the contract, he notifies the contractor in writing of the deficiencies.
- Contractor shall have a specified time to cure deficiencies or establish that there are no deficiencies.



## **SMALL BUSINESS ENTERPRISE PROGRAM**

### **Termination of Contract if SLBE Status Ends**

- When a SBLE contractor's certification is revoked, the City Manager has the authority to terminate the services of the contractor.
- Contractor would be paid for services rendered.



# City of Durham Historical Contracting Data 7/1/06-6/30/12

	Durham MSA	North Carolina outside Durham MSA	Other States		Potential Gain to MSA Firms
<b>Total Contracts</b>	\$581,109,466.60		\$12,176,785.74	\$ 593,286,252.34	
<b>Construction Contracts</b>				\$ 203,030,126.88	
<b>Professional Services Contracts</b>				\$ 47,892,299.33	
<b>Purchasing Contracts and Other</b>				\$ 342,363,826.13	
<b>Contracts &lt; \$500,000</b>	\$125,395,889.56		\$ 3,137,800.37	\$ 128,533,689.93	
<b>Construction Contracts</b>	\$ 8,267,788.05			\$ 23,918,968.26	\$ 15,651,180.21
<b>Professional Services Contracts</b>	\$ 2,848,270.20			\$ 11,370,983.50	\$ 8,522,713.30
<b>Purchasing Contracts and Other</b>				\$ 93,243,738.17	
<b>Contracts &lt; \$100,000</b>					
<b>Professional Services Contracts</b>	\$ 782,640.60			\$ 6,558,908.21	5,776,267.61
Construction Contracts as a % of total City Contracts					<b>34%</b>
Construction Contracts < \$500,000 compared to all Construction Contracts					12%
Professional Services Contracts as a % of total City Contracts					<b>8%</b>
Professional Services Contracts < \$500,000 compared to all Professional Services Contracts					24%
Professional Services Contracts < \$100,000 compared to all Professional Services Contracts					14%



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## **QUESTIONS?**